GOVERNMENT OF INDIA
SMALL SCALE INDUSTRIES
LOK SABHA

UNSTARRED QUESTION NO:1965
ANSWERED ON:06.12.2005
CREDIT LINKED CAPITAL SUBSIDY SCHEME
Owaisi Shri Asaduddin

Will the Minister of SMALL SCALE INDUSTRIES be pleased to state:

(a): whether the Government has approved the amendments to the ongoing Credit Linked Capital Subsidy Scheme (CLCSS) for small scale industries;

(b): if so, the details thereof;

(c): the extent to which these modifications are likely to encourage small scale industries to undertake modernization through technology upgradation programme; and

(d): the other facilities likely to be given to SSI to encourage competitiveness in the market?

Answer

MINISTER OF SMALL SCALE INDUSTRIES & AGRO AND RURAL INDUSTRIES (SHRI MAHABIR PRASAD)

(a): Yes, Sir.

(b)&(c): The Credit Linked Capital Subsidy Scheme (CLCSS) has been modified with effect from September 29, 2005. The modified Scheme aims at facilitating technology upgradation of small scale industries, including tiny, agro and rural industrial units, by providing 15 pr cent upfront capital subsidy (12 per cent prior to 29.09.2005) on institutional finance availed of by them for induction of well-established and improved technologies in specified sub-sectors/products approved under the Scheme. The admissible capital subsidy under the modified Scheme is calculated with reference to the purchase price of plant and machinery. The maximum limit of eligible loan for calculation of capital subsidy under this Scheme has also been raised from Rs. 40 lakh to Rs. 100 lakh. These modifications in the CLCSS guidelines aim at further facilitating modernization of small scale industries through technology upgradation.

(d): The Central Government implements a number of schemes/programmes to assist the small industries (SSI) to enhance their competitiveness. These include reimbursement of cost of obtaining ISO-9000/14001 certification, bar coding, credit and performance rating and support for marketing and exports.